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The Intelligence War— NEW, CHALLENGE TO CIA By ROBERT MOSS—

SECURITY officials in the United States are worried about an influx of Communist illegals—spies operating under false identities—from an unexpected quarter.

They believe that many illegals working for Hanoi or Moscow have entered the country in the guise of Vietnamese refugees. Because the State Department has waived the normal visa checks in the case of refugees from Vietnam, and because of curbs imposed on the FBI's powers to carry cut surveillance of suspects, little or no screening and investigation are taking place.

For example, when fellow-refugees recently reported their doubts about a Vietnameso now living in the vicinity of Los Alamos in New Mexicowho had moved into South Vietnam from Hanol less than a year before joining the flight of the "boat people" fae FBI had to explain that, under existing restrictions, it could not investigate without clear evidence that the man was engaged in spying for a foreign power.

This is only one further indication of the continued erosion of America's counterintelligence capacities.

Glum confession

Relations between the CIA and other Western services have not recovered from the emasculation of the Counter-Intelligence (CI) staff, which formerly handled liaison, in 1973/74. There is little confidence in other Nato services, as Mr Frank Carlucci, the Deputy Director of the CIA, has glumly confessed in public, that the Americans can protect their secrets.

The director of a major European secret service now flatly declines to meet either Admi Stansfield Turner, CIA director, or the CIA station chief in his capital.

This is almost without precedent, as is the fact that a senior officer of another friendly service with close historical ties to the United States has visited the country twice so far this year without checking in with the Agency. One aspect of the problem that now provokes acute concern is the possibility that — be-

now provokes acute concern is the possibility that — because of the erosion of CI—the K G B may have succeeded over many years in systematically deceiving United States intelligence about Moscow's military capacities and intentions.

Prior to the sacking of the key members of the CI staff at the end of 1974 they were engaged (with the help of the CIA's Directorate of Science and Technology) in conducting review assessments of military intelligence culled from Soviet agents recruited by the FBI in New York whose credentials have since come under question.

The tentative conclusion reached was that much of the information from these suspect sources—for example, exaggerated accounts of problems faced by the Russians in constructing missile guidance system—was part of a strategic deception programme which was at least partly responsible for the CIA's notorious undervaluation of the Soviet defence effort in the mid-1970s.

Biggest worry .

The biggest worry now is that, in the absence of effective CI (which, in reviewing an intelligence service's sources and estimates, should function as an institutional devil's advocate), Washington may have failed to detect developments in Soviet planning and military technology that could produce a radical shift in the strategic balance overnight.

The whole issue is put well in a paper by Mr Newton ("Scotty") Miler, the former Chief of Operations on the CI staff, that has just been published by the National Strategy Information Centre in New York as part of a symposium entitled "Intelligence Requirements for the 1980s."

Counter-intelligence, defined by Mr Miler as "the national effort to prevent foreign intelligence services from infiltrating our institutions and establishing the potential to engage in espionage, subversion, terrorism and sabotage" is the base, the "tap root," of a healthy intelligence system.

But since 1973, Mr Miler charges, "concern about the reliability of sources, enemy security service ability to catch our spies and the need for good compartmentation of our collection activities has not been subject to review and assessment by a non-partisan element specialising in just these problems."

He goes on: "It became official GIA policy that human source intelligence collection activities would no longer be scrutinised by counter-intelligence specialists."

In Mr Miler's view which reflects a growing school of opinion this may mean that the CIA has been drinking from a poisoned well, failing to sift fact from disinfermation in reports from sources whose bona fides have not been thoroughly checked.

His prescription ly for President Carter to exert his authority to reassemble the files and functions" of the CI staff that were thought-lessly dispersed in 1973/74 and to appoint a "counter-intelligence overseer" on the National Security Council.

His arguments are compelling, but they are unlikely to sway. those who are currently seeking to complete the demise of American intelligence through a new National Intelligence Act to replace the National Security Act of 1947 that has hitherto provided the basic legal framework for CIA operations.

The present draft of this new Act, resulting from consultations between its initiators on the Senate Select Committee on Intelligence and the Administration, is a blue-print for intelligence-in-agoldfish bowl.

A basic principle of the document is "to ensure that special activities are undertaken only to meet exceptional circumstances affecting important interests of the United States."

What are these "special activities?" The document is quite specific: actions abroad in which the involvement of the United States Government is not publicly acknowledged. In other words, the entire clandestine work of intelligence.

Covert operation

Presidential approval would be required for any covert operation; and such an operation would have to be approved at a meeting of the National Security Council where the Secretary of Defence, the Secretary of State, the Attorney-General and the Director of National Intelligence (as the co-ordinator of the intelligence community would henceforth be known) were all present.

Any Congressional committee would have the power to demand a review or sudit of any aspect of intelligence work.

Section 152(a) of the draft Act further requires the CIA to keep the House and Serate, Select Committees "fully and currently informed of all national intelligence activities, including any significant anticipated intelligence activities."

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